

Message Text

CONFIDENTIAL

PAGE 01 STATE 008943

17

ORIGIN NEA-07

INFO OCT-01 SS-14 ISO-00 EB-03 INR-05 L-01 NSC-05 NSCE-00

CIAE-00 /036 R

DRAFTED BY NEA/PAB:MGJONES/NH

APPROVED BY NEA:SSOBER

NEA:PDCONSTABLE (DRAFT)

E:HNAU (SUBS)

S/S-O DMACK

----- 085000

R 140259Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY ISLAMABAD

INFO AMCONSUL KARACHI

C O N F I D E N T I A L STATE 008943

LIMDIS

E.O. 11652: GDS

TAGS: BEXP, PK

SUBJECT: CHEMTEX DISCUSSED WITH PAKISTAN AMBASSADOR

REF: ISLAMABAD 174 AND PREVIOUS

1. IN A JANUARY 13 CONVERSATION WITH PAKISTAN AMBASSADOR YAQUB, DEPUTY ASSISTANT SECRETARY SOBER SAID HE HAD BEEN ASKED BY UNDER SECRETARY ROBINSON TO CONVEY OUR CONCERN AND DISAPPOINTMENT AT ELIMINATION OF CHEMTEX FROM BIDDING FOR FCCC POLYESTER PLANT. SOBER SAID DEPARTMENT HAD RECEIVED FULL REPORTING ON DEVELOPMENTS FROM ISLAMABAD, INCLUDING AMBASSADOR BYROADE'S DISCUSSIONS WITH BHUTTO, AND THAT MR. ROBINSON HAD DISCUSSED MATTER WITH CHEMTEX OFFICIALS HERE. WHILE WE RECOGNIZED THAT IT WAS NOW PROBABLY IMPOSSIBLE TO UNDO THE COMMITMENT TO THE OTHER BIDDER, WE FELT IT IMPORTANT TO EXPRESS OUR FEELING OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 008943

DISAPPOINTMENT AT THE GOP'S AWARD OF THE CONTRACT TO A

FIRM WHICH HAD PREVIOUSLY BEEN ELIMINATED. "WE HAVE BEEN DEVOTED TO PROMOTION OF U.S. INVESTMENT IN PAKISTAN" AND WE FEAR THE EFFECT THIS DECISION MAY HAVE ON OTHER U.S. FIRMS.

2. YAQUB SAID HE WOULD CONVEY SOBER'S CONCERN AT APPROPRIATE LEVEL IMMEDIATELY, AGREEING THAT THE GOP ACTION COULD PERHAPS "MILITATE AGAINST OBJECTIVES WE BOTH SHARE." CALLING HIS OFFER TO COMMUNICATE OUR CONCERN A FORMAL RESPONSE, THE AMBASSADOR CONTINUED INFORMALLY TO SAY THAT HE HAD RECEIVED FULL DETAILS BY TELEPHONE FROM S. B. AWAN, SECRETARY AT THE MINISTRY OF PRODUCTION IN ISLAMABAD. SHORTLY AFTER SEEING UNDER SECRETARY ROBINSON ON DEC. 30 RE PL 480 (STATE 1366), YAQUB HEARD CHEMTEX WAS DISQUALIFIED AND HE IMMEDIATELY CABLED TO URGE RECONSIDERATION AND NOTE CONCERN THAT TURNDOWN CAME ON HEELS OF ROBINSON MEETING WHICH HAD SEEN FAVORABLE RESPONSE TO PAKISTANI NEEDS.

3. YAQUB SAID HE HAD ACTED BECAUSE HE RECOGNIZED THAT NEGATIVE ACTION ON CHEMTEX "COULD QUEER OUR PITCH" RE PL 480 AND OTHER BILATERAL ISSUES. THE STORY HE OBTAINED FROM ISLAMABAD, HOWEVER, WAS "MATERIALLY DIFFERENT" FROM WHAT HE'D EARLIER UNDERSTOOD; CHEMTEX, HE FELT, MIGHT NOT HAVE ACCURATELY INFORMED THE USG. YAQUB PROCEEDED TO DETAIL THE GOP'S EFFORTS, STRESSING ITS NEED FOR "GUARANTEES" FROM DUPONT ON PROCESS RIGHTS, ETC., AND THE IMPORTANCE OF THE MISSED DEADLINE IN THIS REGARD. WHEN THE DEADLINE PASSED, "THE GERMANS WERE RESTIVE" AND THE GOP SAW ITSELF WITH NO OPTION BUT TO SIGN WITH THEM. WHILE CHEMTEX ADMITTEDLY COMPLIED AFTER THE DEADLINE, THE AGREEMENT WAS VIRTUALLY SIGNED. HE REITERATED THAT THE GOP PREFERRED INVESTMENT FROM U.S. FIRMS AND WOULD NOT TREAT THEM LIGHTEARTEDLY. YAQUB SAID HE INTENDED TO ASK DUPONT TO CALL AND RECEIVE FULL EXPLANATION. HE WOULD ALSO RECEIVE THE GOP POSITION IN WRITING SHORTLY AND WOULD SEND US A NOTE VERBALE TO COMPLETE HIS "FORMAL" RESPONSE. SOBER THANKED YAQUB FOR THE EXPLANATION, BUT AGAIN EXPRESSED OUR DISAPPOINTMENT AT THE OUTCOME. KISSINGER

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JAN 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: greeneet
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE008943
Document Source: CORE
Document Unique ID: 00
Drafter: MGJONES/NH
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760013-0652
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760157/aaaabywa.tel
Line Count: 99
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: LIMDIS
Reference: 76 ISLAMABAD 174
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 17 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <17 JUN 2004 by GarlanWA>; APPROVED <13 OCT 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHEMTEX DISCUSSED WITH PAKISTAN AMBASSADOR
TAGS: BEXP, PK
To: ISLAMABAD
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006